

Purchase Order Amendment to Somerville Construction P.O 6017578: HtO Park

Date:	December 14, 2007
To:	Parks & Environment Committee
From:	General Manager, Parks, Forestry and Recreation Director, Purchasing and Materials Management Division
Wards:	Ward 20, Trinity-Spadina
Reference Number:	

SUMMARY

The purpose of this report is to obtain approval to amend Purchase Order number 6017578 issued to Somerville Construction for the construction of HtO Park in the amount of \$81,042.33 (net of GST) in order to compensate for an increase in the Purchase Order value. This will be the second amendment to this contract. This Purchase Order Amendment is required to address changes in scope of construction due to unforeseen, adverse site conditions, such as removal of buried industrial structures, soil contaminants, and deteriorated dock wall conditions. The first amendment was for \$426,756.39 (net of GST) and was within the limits delegated to staff as outlined in the Municipal Code, Chapter 71 – Financial Control. The combined value of the first amendment and this new amendment is \$507,798.72 (net of GST), which requires Committee approval. The entire revised total of the Purchase Order will be \$9,721,398.72 (net of GST).

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation and the Director of Purchasing and Materials Management Division recommend that authority be granted to amend Purchase Order number 6017578 issued to Somerville Construction for the construction of HtO Park by an additional \$81,042.33 (net of GST).

Financial Impact

This \$81,042.33 (net of GST) is required to pay out the remaining value of the Purchase Order Amendment. The “Harbourfront Park Development 2206-07” capital account (CPR117-35-03) has a current balance of \$62,610.00 in uncommitted funds. The remaining \$18,432.33 (net of GST) required will be funded from the “South District Parks Rehabilitation” capital account (CPR 117-37-07). The funding will not increase debt.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Somerville Construction was issued Purchase Order number 6017578 through authority granted by Economic Development and Parks Committee Report 8, Clause 15, adopted by City Council on September 28, 29, and 30, 2005, in the amount of \$9,213,600.00 (net of GST).

In May 2007, a Purchase Order Amendment in the amount of \$426,756.39 (net of GST), representing a 4.6% increase to the original amount of the commitment, was approved by the General Manager of Parks, Forestry and Recreation and the Director of Purchasing and Materials Management, in accordance with standard procedures for amendments to Purchase Orders.

ISSUE BACKGROUND

The initial Purchase Order Amendment approved in May 2007 and the current Purchase Order Amendment are required due to changes in the scope of construction resulting from adverse existing site conditions encountered during construction activities, buried or previously unknown, and replacement of existing infrastructure in conflict with proposed site improvements.

The first Purchase Order Amendment approved May 2007, totalling \$426,756.39 (net of GST), comprised of the following changes in scope:

1. Repair of Existing Dockwall – Entire east site and the east wall of the west site:

The original scope of work required the contractor to partially demolish the existing dockwalls to receive a reinforced concrete cap. During demolition, the concrete in the wall interior was found to be severely deteriorated. This hesitated an increase in the amount of demolition required in order to find concrete with sufficient structural integrity on which to build repairs.

The change to the contract for dockwall repair that included the entire east site and the east wall of the west site amounted to \$278,501.97 (net of GST).

2. Removal of Environmental Contaminant:

During excavation of the existing soil, a mechanical pipe was encountered containing an oil based-free product. The material was tested and it was determined that the substance had to be removed in accordance with Ministry of Environment regulations to a designated site under the supervision of a qualified environmental consultant. The change to the contract for the removal of the environmental contaminant amounted to \$110,347.71 (net of GST).

3. Demolition and Removal of Buried Structures:

During excavation for the installation of site services, buried concrete structures were encountered. These required demolition and removal. The change to the contract for the demolition and removal of the buried structures on the east site amounted to \$37,906.71 (net of GST).

The requested Purchase Order Amendment totalling \$81,042.33 (net of GST) comprises of the following changes in scope:

4. Repair of Existing Dockwall -- South wall on the west site:

This work continues from number 1 above. Funding is needed to achieve this change in scope. The change to the contract to complete dockwall repair is \$70,100.00 (net of GST).

5. Amendments to City of Toronto Fire Services existing utilities and infrastructure:

This scope of work comprises repair to, and tracing of the existing waterline (not shown on the existing utilities map), installation of a replacement sanitary well for the fire boat pump, and installation of a concrete foundation and electrical service conduit for the replacement of a Fire Services corporate sign. The change to the contract for repairs and replacement of Fire Services existing utilities and infrastructure is \$10,942.33 (net of GST).

The total aggregate increase in the Purchase Order Amendments amounts to \$507,798.72 (net of GST), representing a 5.5% increase in the original commitment. Committee approval of the second Purchase Order Amendment is required because the total increase in Purchase Order Amendment value exceeds \$500,000.00.

COMMENTS

The Parks and Environment Committee approval is required to amend Purchase Order number 6017578 issued to Somerville Construction by \$81,042.33 (net of GST). Staff of Parks, Forestry and Recreation reviewed the prices for the work performed and considered them fair and reasonable.

CONTACT

Bob Duguid
Landscape Architect
Parks, Forestry and Recreation
Telephone: 416-392-1925
e-mail: bduguid1@toronto.ca

David Ferguson
Acting Manager, Construction Services
Purchasing and Materials Management
Telephone: 416-392-7323
e-mail: dfergus4@toronto.ca

SIGNATURE

Brenda Librecz
General Manager,
Parks, Forestry and Recreation

L.Pagano, P.Eng.
Director,
Purchasing and Materials Management Division